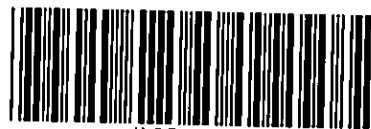


Company Registration No. 239726 (England and Wales)

**CAPITA TRUST COMPANY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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# CAPITA TRUST COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	S P Martin C A Benford L R O'Sullivan (Appointed 16 December 2008) D R Baker S E Lawrence
<b>Secretary</b>	Capita Group Secretary Limited
<b>Company number</b>	239726
<b>Registered office</b>	The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Auditors</b>	Ernst & Young LLP 1 More London Place London SE1 2AF
<b>Bankers</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>Solicitors</b>	Herbert Smith Exchange House Primrose Street London EC2A 2HS

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# **CAPITA TRUST COMPANY LIMITED**

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# **CAPITA TRUST COMPANY LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2008***

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The directors present their report and financial statements for the year ended 31 December 2008.

#### **Principal activities and review of the business**

The company is a wholly owned subsidiary of The Capita Group Plc and operates within the group's Financial Services division.

The principal activity of the company continued to be that of corporate trustees and the provision of trust and administration services. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

In January 2008 the company acquired the entire share capital of Capita Fiduciary Group B.V.

In December 2008 the company acquired the entire share capital of Capita Trust Company (Ireland) Limited.

As shown in the company's profit and loss account on page 5, the company's turnover has increased by 3% over the prior year and operating profit has increased by 20% over the same period.

The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. Net assets have increased by 12% to £12,482,722. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 9, 10 and 11 to the financial statements.

Key performance indicators used by The Capita Group Plc are operating margins, free cash flow, capital expenditure and return on capital employed. The Capita Group Plc and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Financial Services division of The Capita Group Plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

#### **Results and dividends**

The results for the year are set out on page 5.

No interim or final ordinary dividend was paid during the current or prior year.

#### **Environment**

The Capita Group Plc recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's annual report which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

#### **Employees**

Details of the number of employees and related costs can be found in note 19 to the financial statements.

# **CAPITA TRUST COMPANY LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2008***

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### **Directors**

The following directors have held office since 1 January 2008:

J J Eadie	(Resigned 31 December 2008)
S P Martin	
C A Benford	
L R O'Sullivan	(Appointed 16 December 2008)
D R Baker	
S E Lawrence	
J G Vickers	(Resigned 21 April 2009)

### **Auditors**

In accordance with section 487(2) of the Companies Act 2006, the auditors, Ernst & Young LLP, will be deemed to be reappointed and therefore continue in office.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **CAPITA TRUST COMPANY LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2008***

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### **Statement of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she might reasonably be expected to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Qualifying 3rd party indemnity provisions**

The Capita Group Plc has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



S E Lawrence

**Director**

27 April 2009

# CAPITA TRUST COMPANY LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF CAPITA TRUST COMPANY LIMITED

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We have audited the company's financial statements for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP  
Registered Auditor  
London

*Ernst & Young LLP*

*27 April 2009*

# CAPITA TRUST COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 DECEMBER 2008*

	Notes	2008 £	2007 £
<b>Turnover</b>	<b>2</b>	5,928,092	5,734,136
Administrative expenses		(4,467,935)	(4,518,035)
Other operating income/(expense)		2,975	(1,566)
<b>Operating profit</b>	<b>3</b>	1,463,132	1,214,535
Other interest receivable and similar income	<b>4</b>	431,893	250,386
<b>Profit on ordinary activities before taxation</b>		1,895,025	1,464,921
Tax on profit on ordinary activities	<b>5</b>	(563,454)	(479,511)
<b>Profit for the year</b>	<b>15</b>	1,331,571	985,410

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# CAPITA TRUST COMPANY LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Intangible assets	6	73,339	93,667
Tangible assets	7	157,146	232,561
Investments	8	40,939	-
		<u>271,424</u>	<u>326,228</u>
<b>Current assets</b>			
Debtors	9	7,652,946	3,145,227
Cash at bank and in hand		9,906,630	13,030,046
		<u>17,559,576</u>	<u>16,175,273</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(2,848,278)</u>	<u>(2,850,350)</u>
<b>Net current assets</b>		<u>14,711,298</u>	<u>13,324,923</u>
<b>Total assets less current liabilities</b>		14,982,722	13,651,151
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(2,500,000)</u>	<u>(2,500,000)</u>
		<u>12,482,722</u>	<u>11,151,151</u>
<b>Capital and reserves</b>			
Called up share capital	14	8,975,001	8,975,001
Share premium account	15	999,999	999,999
Profit and loss account	15	2,507,722	1,176,151
<b>Shareholders' funds</b>	16	<u>12,482,722</u>	<u>11,151,151</u>

Approved by the Board and authorised for issue on 27 April 2009

  
 S E Lawrence  
 Director

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has not produced a cashflow statement on the basis that the ultimate parent undertaking, The Capita Group Plc, has prepared a group cashflow statement in accordance with FRS1 (revised).

#### 1.2 Change in accounting policies

The company has adopted the following new Financial Reporting Standard issued by the UK Accounting Standards Board.

Amendment to FRS 26 (IAS39): Financial Instruments: Recognition and Measurement and FRS 29 (IFRS 7): Financial Instruments: Disclosures - Reclassification of Financial Assets - These amendments to the standards, issued in October 2008, permit an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendments also permit an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. These amendments, which are effective from 1 July 2008, have had no impact on the financial statements of the company.

#### 1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently.

#### 1.4 Turnover

Turnover comprises fee and commission income and is accounted for on the basis of the income invoiced.

#### 1.5 Goodwill

Goodwill is amortised through the profit and loss account over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the period of the lease
Computer equipment	3 years

#### 1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.8 Investments

Fixed asset investments are stated at cost less provision for any impairment.

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

---

### 1 Accounting policies

(continued)

#### 1.9 Pensions

The company maintains a number of contracted-out defined contribution schemes and contributions are charged to the profit and loss account in the year in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the company. The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the group liability centrally. Any unpaid contributions at the year end have been accrued in the accounts of that company.

The company also makes contributions to multi-employer defined benefit schemes operated by the group. However, the company is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent basis. Consequently, in accordance with FRS 17, the company accounts for contributions to the schemes as if they were defined contribution schemes.

#### 1.10 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold;

- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

#### 1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.12 Group accounts

The accounts present information about the company as an individual undertaking and not about its group as the company has taken advantage of the exemption of Section 228 of the Companies Act 1985 not to prepare group accounts.

#### 1.13 Related party transactions

The company has not prepared related party transactions disclosure on the basis that The Capita Group Plc owns at least 90% of the voting rights of the company and the consolidated financial statements of The Capita Group Plc are publicly available.

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

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### 1 Accounting policies

(continued)

#### 1.14 Share based payments

The company participates in various share option and sharesave schemes operated by The Capita Group Plc, the ultimate parent undertaking. Details of these schemes are contained in the group's annual report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the company, since the previous balance sheet date is recognised in the profit and loss account and settled with The Capita Group Plc, the ultimate parent undertaking.

In accordance with FRS 20, share option awards of the ultimate parent company's equity instruments in respect of settling grants to employees of the company are disclosed as a charge to the profit and loss account and a credit to equity. The company's policy is to reimburse its ultimate parent company through the inter company account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to inter-company which better describes the underlying nature of the transaction.

#### 1.15 Financial instruments: disclosure and presentation

The company has taken advantage of the exemption allowed by paragraph 2D (a) of FRS 29 not to make these disclosures in its own financial statements as the publicly available consolidated financial statements of The Capita Group Plc include the required disclosures for the group.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

<b>3</b>	<b>Operating profit</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Amortisation of intangible assets	20,328	20,328
	Depreciation of tangible assets	82,105	65,913
	Loss on foreign exchange transactions	-	1,566
	Operating lease rentals	148,638	175,007
	and after crediting:		
	Profit on foreign exchange transactions	(2,975)	-

Audit fees are borne by the ultimate parent undertaking, The Capita Group Plc. The audit fee for the current period was £2,000 (2007: £2,000). The company has taken advantage of the exemption provided by the Companies (Disclosure of Auditor Remuneration) Regulations 2005 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 1985.

<b>4</b>	<b>Investment income</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Bank interest	431,893	250,386

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

5	Taxation	2008 £	2007 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	20,103	403,847
	Adjustment for prior years	504,548	73,140
	<b>Current tax charge</b>	<u>524,651</u>	<u>476,987</u>
	<b>Deferred tax</b>		
	Deferred tax charge	40,733	45,506
	Adjustment to deferred tax in respect of the previous period	(1,930)	(42,982)
		<u>38,803</u>	<u>2,524</u>
		<u>563,454</u>	<u>479,511</u>
	<b>Factors affecting the current tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>1,895,025</u>	<u>1,464,921</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007 - 30.00%)	<u>540,082</u>	<u>439,476</u>
	Effects of:		
	Expenses not deductible for tax purposes	5,927	6,588
	Capital allowances in excess of depreciation	-	(5,010)
	Depreciation in excess of capital allowances	5,564	-
	Adjustments to previous periods	20,103	73,140
	Other timing differences	(47,025)	(37,207)
		<u>(15,431)</u>	<u>37,511</u>
	<b>Current tax charge</b>	<u>524,651</u>	<u>476,987</u>

The UK corporation tax rate decreased from 30% to 28% on 1 April 2008. The deferred tax balance was adjusted in 2007 to reflect this change in rate to 28% resulting in a charge to the profit and loss account of £3,290 which was included in the deferred tax charge in 2007.

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 6 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2008 & at 31 December 2008	163,237
<b>Amortisation</b>	
At 1 January 2008	69,570
Charge for the year	20,328
At 31 December 2008	89,898
<b>Net book value</b>	
At 31 December 2008	73,339
At 31 December 2007	93,667

### 7 Tangible fixed assets

	Land and buildings Leasehold £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2008	184,670	123,194	307,864
Additions	-	6,690	6,690
At 31 December 2008	184,670	129,884	314,554
<b>Depreciation</b>			
At 1 January 2008	34,604	40,699	75,303
Charge for the year	38,315	43,790	82,105
At 31 December 2008	72,919	84,489	157,408
<b>Net book value</b>			
At 31 December 2008	111,751	45,395	157,146
At 31 December 2007	150,066	82,495	232,561

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 8 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 January 2008	-
Additions	40,939
At 31 December 2008	40,939
<b>Net book value</b>	
At 31 December 2008	40,939

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
<b>Subsidiary undertakings</b>				
Capita Trust Company (Ireland) Limited	Ireland	Ordinary		100.00
Capita Fiduciary Group B.V.	Netherlands	Ordinary		100.00

In January 2008 the company subscribed for the entire share capital of Capita Fiduciary Group B.V., an newly incorporated entity, for a total cash consideration of £13,221.

In December 2008 the company acquired the entire share capital of Capita Trust Company (Ireland) Limited for a total consideration of £27,718 via intercompany.

### 9 Debtors

	2008 £	2007 £
Trade debtors	1,027,574	717,786
Amounts owed by parent and fellow subsidiary undertakings	4,453,200	166,718
Other debtors	887,594	705,511
Prepayments and accrued income	1,273,479	1,509,162
Deferred tax asset (see note 12)	11,099	46,050
	<u>7,652,946</u>	<u>3,145,227</u>



# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

10 Creditors: amounts falling due within one year	2008 £	2007 £
Trade creditors	469,378	230,543
Amounts owed to parent and fellow subsidiary undertakings	179,448	210,918
Corporation tax	504,548	405,389
Other taxes and social security costs	214,092	174,135
Other creditors	13,715	29,486
Accruals and deferred income	1,467,097	1,799,879
	<u>2,848,278</u>	<u>2,850,350</u>

11 Creditors: amounts falling due after more than one year	2008 £	2007 £
Amounts owed to parent and subsidiary undertaking	<u>2,500,000</u>	<u>2,500,000</u>

£2,500,000 relates to an interest free sub-ordinated loan with The Capita Group Plc, agreed on 20 June 2006. This loan is repayable at the option of the lender.

## 12 Deferred taxation

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2008 £	
Balance at 1 January 2008	(46,050)	
Transfer from group undertaking	(3,852)	
Profit and loss	38,803	
	<u>(11,099)</u>	
Balance at 31 December 2008	<u>(11,099)</u>	
	2008 £	2007 £
Decelerated capital allowances	(11,099)	(5,450)
Other timing differences	-	(40,600)
	<u>(11,099)</u>	<u>(46,050)</u>

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 13 Pension costs

The company offers both defined benefit and defined contribution pension schemes.

Contributions in respect of the defined contribution schemes payable by the company during the year amounted to £54,380 (2007: £22,980).

The company is a member of The Capita Pension and Life Assurance Scheme (Capita scheme), a defined benefit scheme. The pension costs for the defined benefit scheme are determined with the advice of an independent qualified actuary on the basis of triennial valuations using the projected unit credit method. The independent qualified scheme actuaries carried out the latest full valuation of the Capita scheme as at 6 April 2005 and the valuation was updated to 31 December 2008. Surpluses or deficits on the pension scheme arising from the actuarial valuation are spread over the average service lives of the members on a straight-line basis.

The pension charge for the defined benefit scheme for the year was £94,861 (2007: £101,360). The average employer contribution rate over 2008 across all Capita companies to final salary pension arrangements was approximately 18.1% pa of pensionable salaries including employee contributions made as part of a salary sacrifice scheme.

The major assumptions for the valuation at 31 December 2008 were as follows: expected rates of return on scheme assets: (i) equities/hedged funds/absolute returns - 5.6% - 7.7% (2007 - 7.6%); (ii) bonds - 5.7% (2007 - 5.2%); (iii) property - 4.6% (2007 - 7.6%); (iv) cash/other - 2.0% (2007 - 5.5%); rate of price inflation - 2.7% (2007 - 3.2%); rate of salary increase - 3.7% (2007 - 4.2%); rate of increase for pensions in payment - 2.6% (2007 - 3.2%); discount rate - 6.2% (2007 - 5.9%). The scheme assets at fair value at 31 December 2008 were (i) equities/hedged funds/absolute returns - £206.6m (2007 - £248.9m); (ii) bonds - £66.7m (2007 - £56.1m); (iii) property - £15.9m (2007 - £17.5m); (iv) insurance contracts - £3.2m (2007 - £3.5m); (v) cash/other - £25.4m (2007 - £24.5m), totalling £317.8m (2007 - £350.5m). The value of scheme liabilities was £320.2m (2007 - £330.2m) indicating that The Capita scheme had a deficit of £2.4m (2007 - surplus of £20.3m).

The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent basis. In accordance with FRS 17, the company therefore accounts for contributions to the scheme as if it were a defined contribution scheme. The full disclosure is available in the consolidated accounts of The Capita Group Plc.

### 14 Share capital

	2008	2007
	£	£
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
<b>Allotted, called up and fully paid</b>		
8,975,001 ordinary shares of £1 each	8,975,001	8,975,001

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2008	999,999	1,176,151
Profit for the year	-	1,331,571
	<u>999,999</u>	<u>2,507,722</u>
Balance at 31 December 2008	<u>999,999</u>	<u>2,507,722</u>

### 16 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	1,331,571	985,410
Contribution in respect of share based payment charge	8,559	8,053
Settlement of share based payment charge by intercompany	(8,559)	(8,053)
Opening shareholders' funds	<u>11,151,151</u>	<u>10,165,741</u>
Closing shareholders' funds	<u>12,482,722</u>	<u>11,151,151</u>

### 17 Financial commitments

The company was committed to making the following payments under non-cancellable operating leases in the next year:

	Land and buildings 2008 £	2007 £
Operating leases which expire:		
Between two and five years	<u>168,500</u>	<u>168,500</u>

# CAPITA TRUST COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

18 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	530,246	534,284
Company pension contributions to money purchase schemes	18,156	56,648
	<u>548,402</u>	<u>590,932</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2007 - 2).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 3 (2007 - 3).

The number of directors who exercised share options during the year was 2 (2007 - 0).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	170,544	185,031
Accrued pension at the end of the year	<u>13,860</u>	<u>19,360</u>

## 19 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Sales	2	1
Operations	47	36
Administration	4	5
	<u>53</u>	<u>42</u>

Employment costs	2008 £	2007 £
Wages and salaries	2,484,351	1,946,230
Social security costs	259,934	206,637
Other pension costs	149,241	124,341
Share based payments	8,559	8,053
	<u>2,902,085</u>	<u>2,285,261</u>

# **CAPITA TRUST COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** ***FOR THE YEAR ENDED 31 DECEMBER 2008***

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### **20 Control**

The company is a wholly owned subsidiary undertaking of The Capita Group Plc, a company incorporated in England & Wales. The financial statements of The Capita Group Plc are available from the registered office at 61-71 Victoria Street, London SW1H 0XA.